REMARKS

Claims 1, 3 and 7-13 are all the claims pending in the application.

I. Claim Rejections under 35 U.S.C. § 101

Claim 13 has been rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. By this amendment, Applicants note that claim 13 has been amended such that this claim is now directed to a program stored on a <u>non-transitory</u> computer-readable recording medium.

In view of the foregoing, Applicants respectfully submit that claim 13 is directed to statutory subject matter, and therefore, kindly request that the above-noted rejection be reconsidered and withdrawn.

II. Claim Rejections under 35 U.S.C. § 103(a)

Claims 1, 3 and 7-13 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Rowe (US 2005/0124407) in view of Bryant et al. (US 7,318,774).

Claim 1, as amended, is drawn to a content reproduction terminal, and recites that the secure device includes a <u>first storage unit</u> operable to previously store a first application program for reproducing the content in a members-only operation mode, the <u>first application program</u> being an application program <u>customized according to a status of the membership information</u> held by said membership information hold unit, wherein the first application program is operable to cause said execution unit to execute a <u>decorative display customized for each membership</u> <u>user</u>. In addition, claim 1 recites that the reproduction unit of the terminal body includes a <u>second storage unit</u> operable to previously store a second application program for reproducing

the content in a <u>non-member operation mode</u>, the second application program being <u>different</u> from the first application program.

Initially, it is noted that by providing the above-noted features, a member who owns the secure device can view the content using the first application program that has been customized for the member. On the other hand, even a non-member who does not own a secure device can view the content using the second application program stored in the terminal body. Thus, the claimed "content reproduction terminal" is able to provide an advantageous effect of functioning as both a members-only terminal and a general-purpose terminal. Further, since the secure device owned by the member previously stores the first application, the content reproduction terminal allows each member to view the content using the first application program that has been customized for each member.

Applicants respectfully submit that Rowe and Bryant do not teach or suggest the abovenoted combination of features recited in amended claim 1.

First, with respect to Rowe, Applicants note that this reference discloses the use of a smart card having one or more gaming applications thereon, wherein a game machine is able to obtain a list of the game applications from the smart card, select one of the game applications from the obtained list, and cause the smart card to execute the selected game application (see paragraphs [0014] and [0090] through [0093]). In addition, Rowe discloses that the gaming applications stored in the smart card may be stored to a recoding unit of the game machine (see paragraph [0054]).

Thus, in Rowe, the game machine is able to execute either a game application that is stored on the smart card, or a game application that has been copied from the smart card to a recording unit of the game machine. In this regard, in the situation in which the game machine

executes a game application that is stored on the smart card, Applicants note that a person who does not own such a smart card is not able to play a game on the game machine. Further, in the situation in which the game machine executes a game application that has been copied from the smart card to a recording unit of the game machine, it would not be possible to distinguish between a member and a non-member.

Second, with respect to Bryant, Applicants note that this reference discloses a gaming machine that is able to operate in two modes, including a first normal mode (non-member mode) and a second loyalty enhanced mode (member mode), wherein the first mode is available to all players and the second mode is made available only to players that have established membership in a group by inserting a membership card (see Abstract; col. 1, lines 46-56; and col. 2, lines 10-14).

Based on the foregoing, it is noted that while Rowe discloses the use of a smart card having application programs stored thereon, and Bryant discloses the ability to operate a gaming machine in a member- mode and a non-member mode, Applicants respectfully submit that even if Row and Bryant are considered together, that such a combination would not result in the above-noted combination features recited in amended claim 1 of a <u>first storage unit</u> operable to previously store a first application program for reproducing the content in a members-only operation mode, the <u>first application program</u> being an application program <u>customized</u> according to a status of the membership information held by said membership information hold unit, wherein the first application program is operable to cause said execution unit to execute a decorative display <u>customized for each membership user</u>, and wherein the reproduction unit of the terminal body includes a <u>second storage unit</u> operable to previously store a second application program for reproducing the content in a non-member operation mode, the second

application program being different from the first application program.

In view of the foregoing, Applicants respectfully submit that the cited prior art references do not teach, suggest or otherwise render obvious the above-noted combination of features recited in amended claim 1.

Accordingly, Applicants submit that claim I is patentable over the cited prior art, an indication of which is kindly requested. Claims 3 and 7-11 depend from claim 1 and are therefore considered patentable at least by virtue of their dependency.

In addition, regarding claim 7, Applicants note that this claim recites that the <u>secure</u> <u>device</u> further includes an operation mode instruction unit operable to, when the inquiry is received, <u>decide the operation mode</u> on the basis of the membership information and to <u>instruct</u> said terminal body to operate in the decided operation mode.

Applicants respectfully submit that Rowe and Bryant do not teach or suggest the abovenoted feature recited in claim 7.

In particular, with respect to Rowe (which the Examiner has relied on as teaching the above-noted feature), Applicants note that this reference discloses that the gaming machine is responsible for making an inquiry to the smart card for a list of gaming applications stored thereon, and to select a gaming application from the list of gaming applications that is received from the smart card (see paragraphs [0090] through [0093]).

Thus, in Rowe, while the gaming machine is able to make an inquiry regarding the gaming applications stored on the smart card, and to subsequently select one of the gaming applications from the list that is received from the smart card, Applicants respectfully submit that the smart card of Rowe does <u>not</u> decide an <u>operation mode</u> (e.g., member mode or non-member mode) on the basis of membership information, and does <u>not</u> instruct <u>gaming machine</u> to operate

in the decided operation mode.

As such, contrary to the position taken by the Examiner in the Office Action, Applicants respectfully submit that Rowe does not disclose or suggest the above-noted features recited in claim 7 which indicate that the <u>secure device</u> further includes an operation mode instruction unit operable to, when the inquiry is received, <u>decide the operation mode</u> on the basis of the membership information and to <u>instruct said terminal body to operate in the decided operation mode</u>.

Further, Applicants respectfully submit that Bryant does not cure the above-noted deficiencies of Rowe with respect to claim 7. Accordingly, Applicants respectfully submit that claim 7 is patentable over the cited prior art, an indication of which is kindly requested.

Regarding claim 12, Applicants note that this claim is drawn to a content reproduction method used by a content reproduction terminal comprising a terminal body and a secure device that is removable from the terminal body, the secure device having a first storage unit that previously stores a first application program for reproducing content in a members-only operation mode, and the terminal body having a second storage unit that previously stores a second application program for reproducing the content in a non-member operation mode, the second application program being different from the first application program, wherein the first application program causes said execution step to execute a decorative display customized for each membership user, the first application program being an application program customized according to a status of the membership information held in said membership information hold step.

For at least similar reasons as discussed above with respect to claim 1, Applicants respectfully submit that the cited prior art references do not teach, suggest or otherwise render

obvious the above-noted features recited in claim 12. Accordingly, Applicants submit that claim

12 is patentable over the cited prior art, an indication of which is kindly requested. Claim 13

depends from claim 12 and is therefore considered patentable at least by virtue of its

dependency.

III. Conclusion

In view of the above, reconsideration and allowance of this application are now believed

to be in order, and such actions are hereby solicited. If any points remain in issue which the

Examiner feels may best be resolved through a personal or telephone interview, the Examiner is

kindly requested to contact the undersigned at the telephone number listed below.

Respectfully submitted,

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/Kenneth W. Fields/

By 2010.05.28 10:21:49 -04'00'

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